

Letterkenny Army Depot

NSF-ISR

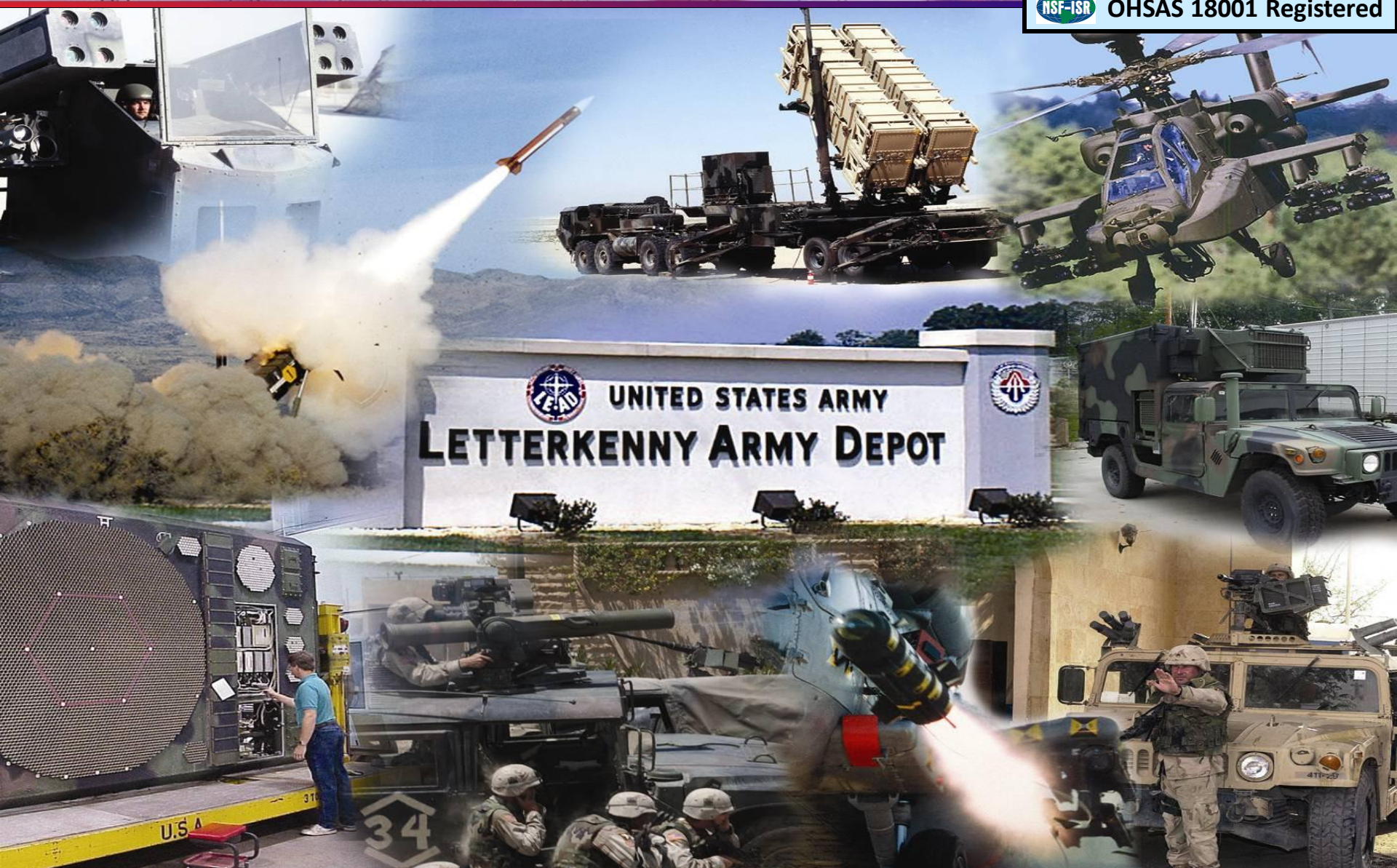
ISO 9001 Registered

NSF-ISR

ISO 14001 Registered

NSF-ISR

OHSAS 18001 Registered



COLONEL CHERI PROVANCH, DEPOT COMMANDER



MISSION STATEMENT

Deliver superior maintenance, manufacturing, logistics, life cycle support and service worldwide to the Joint Warfighter and our Allies.

VISION

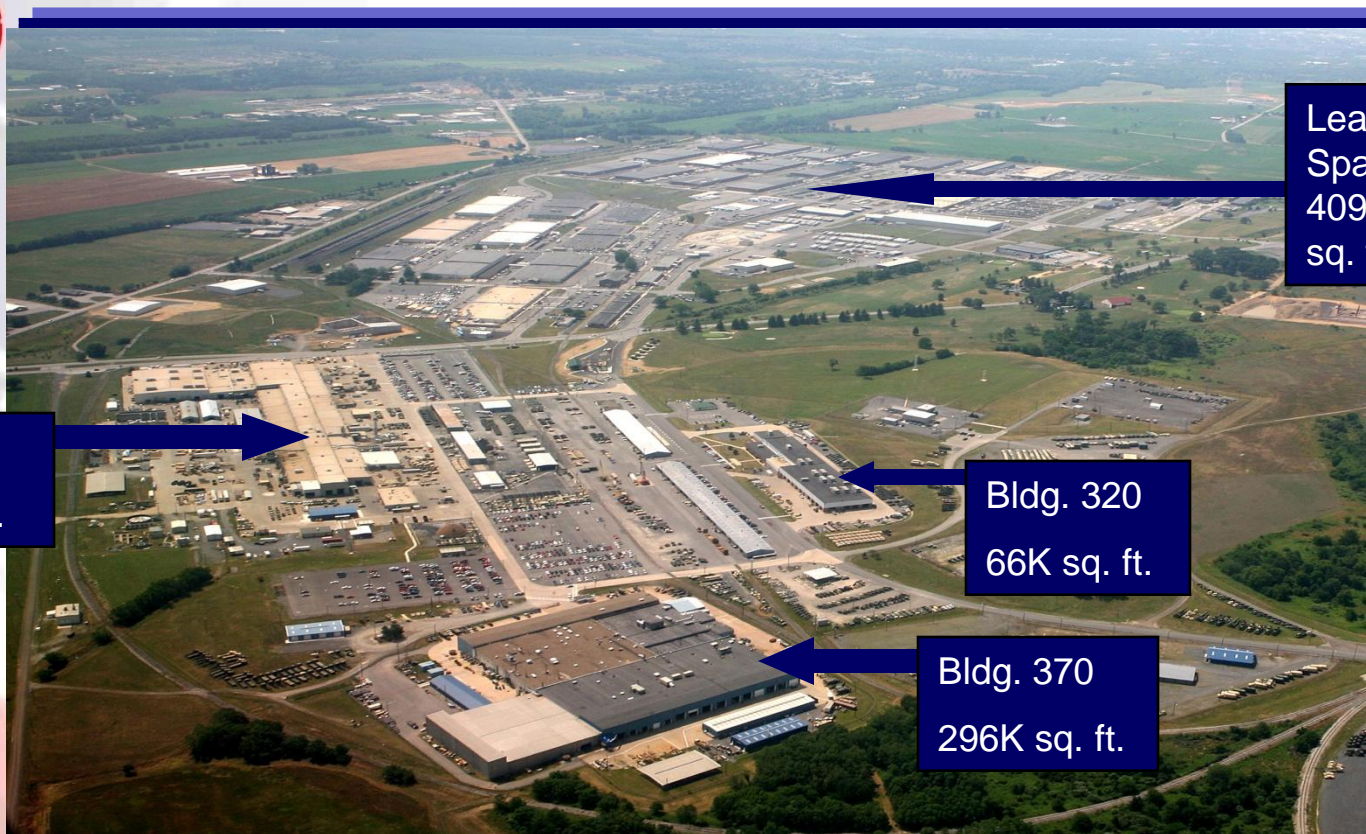
LEAD is the depot of choice for Industry, Government, and the Greatest Warfighters in the world.

Keys to success:

- **Cost**—deliver goods and services to supported agencies at the lowest cost possible
- **Quality**—deliver goods and services to supported agencies IAW quality parameters established by contract and specifications
- **Schedule**—deliver goods and services to supported agencies on or before required delivery date
- **People**— develop personnel to ensure: Personnel growth, motivation and cost/quality/schedule
- **Growth**— grow the business



THE INDUSTRIAL COMPLEX



Leased
Space
409,444
sq. ft.

Bldg. 350
318K sq. ft.

Bldg. 320
66K sq. ft.

Bldg. 370
296K sq. ft.

18,668 Acres

3.6 million labor hours

Approx 1.3 million Sq ft shop floor

\$175 million Specialized Equipment

\$1.54 billion infrastructure

**1700 Government employees. 1100 Contract/Mil.
866 Tenants and contractors = 3666**



DEPOT POPULATION

| | O/B Military | O/B Civilian | O/B Contractors |
|-------------------------------|-----------------|-----------------|--------------------|
| Directorate | | | |
| Command Group | 2 | 57 | 7 |
| Maintenance | 0 | 1043 | 878 |
| TRMD | 0 | 97 | 30 |
| Product Assurance | 0 | 95 | 1 |
| Supply-Transportation | 0 | 68 | 52 |
| Public Works | 0 | 186 | 50 |
| Information Management | 0 | 51 | 2 |
| Resource Management | 0 | 28 | 0 |
| Risk Management | 1 | 75 | 12 |
| PFI Soldiers | 65 | 0 | 0 |
| Depot Total | 68 | 1700 | 1032 |
| Authorized | 2 | 1588 | 205 |
| 16 Tenants | 0 | 704 | 162 |

Depot Proper
Total = 2800

6%
Minority

46% less than
5 years federal
service

43% Veteran

8% Disabled
Veterans

14% more than
30 years federal
service

17%
Women

Average age
of workforce
is down from
47.5 to 45.6



COMMANDER'S FOCUS

1. Maintain/provide a safe, effective and efficient work place.
2. Gain visibility of the business - evolve LMP into a viable ERP.
3. Meet cost, quality and schedule goals/metrics across all depot functions.
4. Continually improve every day.
5. Professionally develop our human capital



CURRENT BUSINESS YEAR

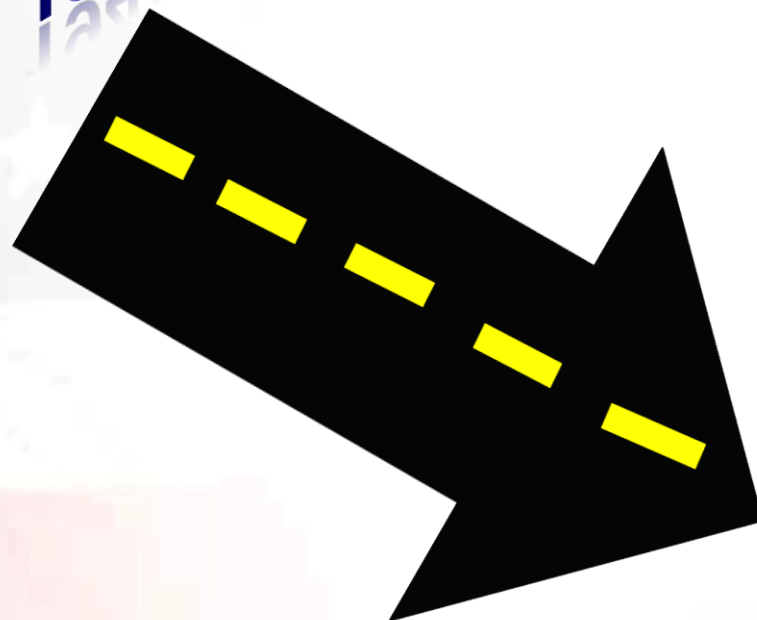
- \$1.2 Billion executable workload on books
- 3.5 Million executable hours on books
- 46% of workforce less than five years
- New CITE Missile Certification
- Proposed New CITE RCV
- Pilots completed on RCVs
- Pilots completed on National Guard 5 Ton Trucks
- UAH projected for FY12
- 11.6% of Direct Labor Hours in partnerships





TRANSFORMING LETTERKENNY

DECEMBER 18, 1941



JUNE 8, 2011

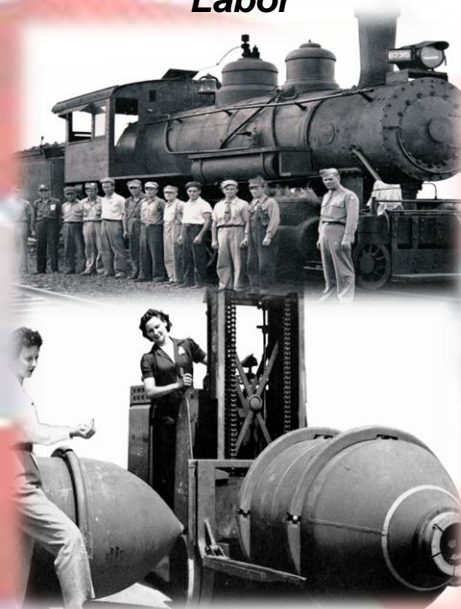
Not Your Grandfather's Depot Anymore



Through each Decade LEAD Evolves & Strengthens

1940's Mission:

LEAD's focus and strengths centered around *Shipping & Receiving, Ammunition Stock Control, & "Blue Collar" Labor*



1950's Mission:

Growth in *new electronics technologies* increased workload on *NIKE missile components* and vehicle repair (both *assembly & disassembly*)



1960's Mission:

Reconditioning of *AA Artillery, combat vehicles & guided missiles*, including *electronics required for the NIKE GM system*



1970's Mission:

The decade's focus revolved around *artillery repair, HAWK automated test equipment & track vehicles*





Through each Decade LEAD Evolves & Strengthens

1980's Mission:

LEAD became the *Center for Technical Excellence* for the *Patriot Missile System*. Storage of *ATACMS* also begins in the *ammunitions area*



1990's MISSION:

In 1991, Letterkenny was selected to be the center of all tactical missile systems in the Army, Navy, Air Force & Marines



2000's Mission:

LEAD begins *retrofitting GMV's including Avengers, HMMWV's & MRAPS*.

Lean practices result in the depots first of many *Shingo Awards*



2010's Mission:

Now the *DSOR* for *RCV*, LEAD continues to grow in all areas, including *PPP's*. LEAD continues to *reset the Force for the Future*





LETTERKENNY TRANSFORMATION

- Knowing the customer expectations
- Link strategic objectives to Enterprise Value Stream
- Stakeholder & Stockholder input drive Letterkenny's future
- Establish boards to drive change

PROCESS

ORGANIZATION

INFORMATION

PEOPLE

LEADERSHIP

Customer Satisfaction = Depot of Choice



LETTERKENNY TRANSFORMATION

Employee Involvement



Hands on Action



6X Shingo Recipient

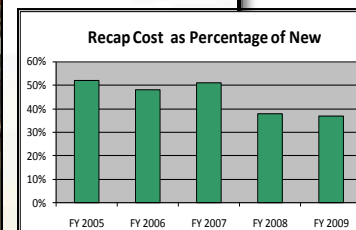
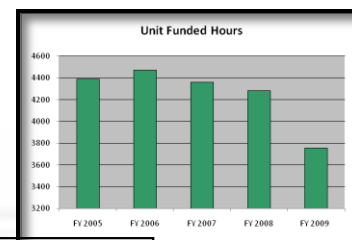
Patriot '05
HMMWV '06
HMMWV '07
Power Generator '07
BIDS '08
Patriot '10

Value Added Results



Lean Success – FY10

- Completed 10 Value Stream Analysis
- 47 Rapid Improvement Events
- 15 Two-Piece Summaries
- Hard Savings \$ 23,405,669
- Space Savings = 31,031 square feet



**Consistent
Reduction in
Cycle time**

SUPER EMPLOYEES – SUPER PROCESSES

HOO-AH!



- In 2001 the Secretary of the Army recognized LEAD as the Center of Industrial and Technical Excellence for tactical missiles and air defense systems
- Winner of the SecArmy Awards for Environmental Restoration FY02, Environmental Quality FY06 and Environmental Sustainability FY09 -Industrial Installation
- Named by BRAC Commission in 2005 as the # 1 depot for tactical wheeled vehicles for military value
- Expansion Management Magazine lists Letterkenny Army Depot and Franklin County as # 7 in the magazine's "2006 Military Communities of Excellence" survey
- DLA Customer of the Year 2007
- Army Superior Unit Award presented in May 2007 and September 2009
- Lockheed Martin Logistics Facility Award for Excellence and Contractor—Military Collaboration of the Year Award
- JDM Excellence Award for Outstanding Contributions to Depot Maintenance- MRAP/MMPV Team 2009
- Fifth Annual Business Opportunity Showcase – June 2010
- Chief of Staff of the Army Combined Logistics Excellence Award 2010
- BAE Chairman's Bronze Award 2010



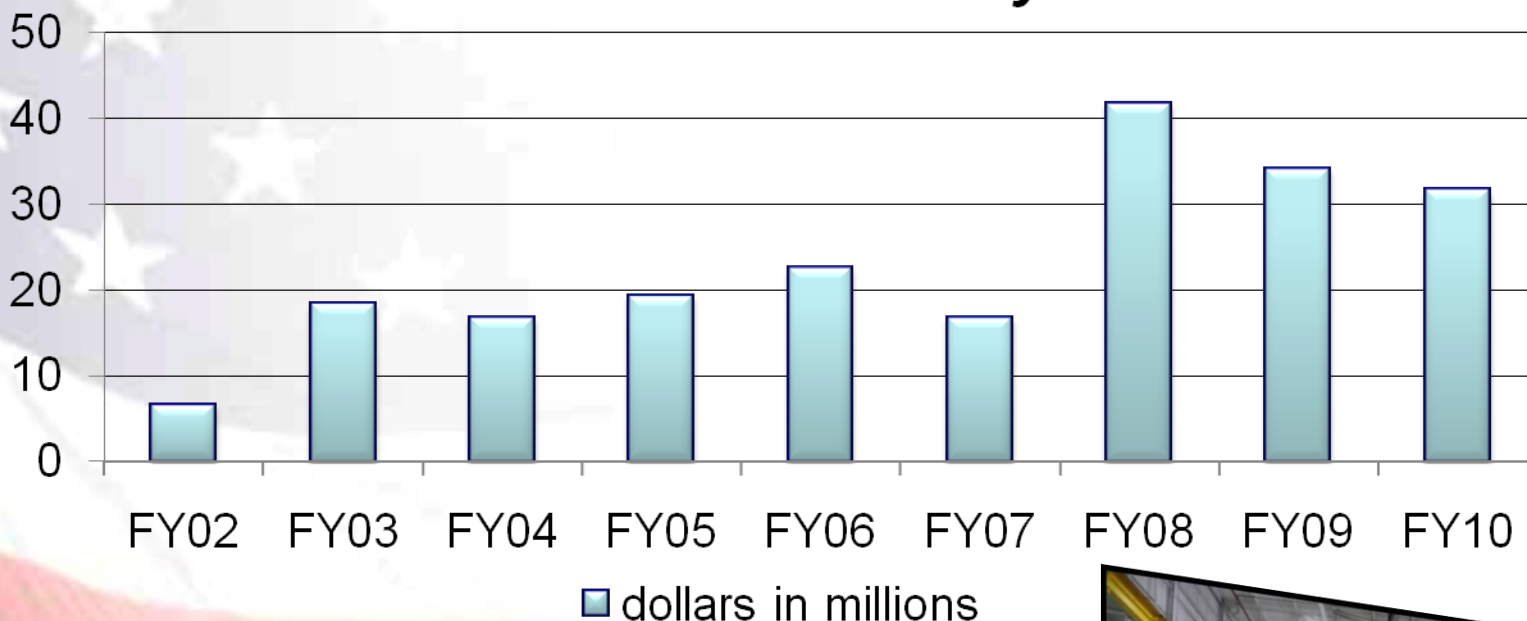
**Six-Time Shingo
Recipient**

**Patriot 05
HMMWV 06
HMMWV 07
Power Generator
Equipment 07
Biological Detection
Shelters 08
Patriot 10**

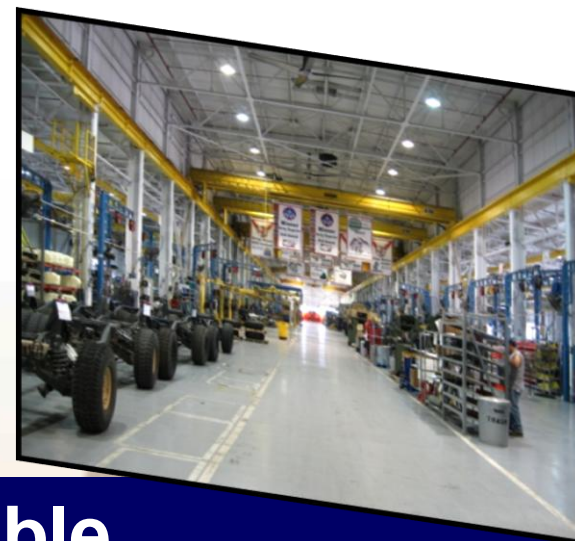


LETTERKENNY TRANSFORMATION

Infrastructure is key



- 300,000 sq ft flexible manufacturing floor
- Horizontal and vertical capacity



Ready – Relevant - Flexible



LETTERKENNY TRANSFORMATION

Skill sets are changing

39 Active
Students

| Year | Students | # Schools | # Grad Hires |
|------|----------|-----------|--------------|
| 2003 | 20 | 4 | 11 |
| 2004 | 24 | 7 | 13 |
| 2005 | 36 | 7 | 17 |
| 2006 | 16 | 5 | 10 |
| 2007 | 18 | 7 | 9 |
| 2008 | 33 | 9 | 15 |
| 2009 | 57 | 10 | 31 |
| 2010 | 44 | 9 | 35 |

Blue Collar

- *Associate Degrees* – Trade Schools, Community Colleges
- Electronics Workers
Air Conditioning Mechanics Machinists
Painters
Heavy Mobile Equipment Mechanics
Maintenance Workers

White Collar

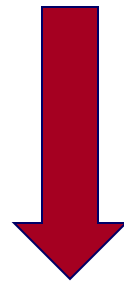
- *Bachelors Degree Programs* - Colleges, Universities
- Engineers, Accountants, Community Planners, Supply, Logistics Management, Contracting Specialists, Production Controllers, Engineering and Accounting Technicians

Planners Vs. Firemen

BUILDING THE FUTURE



Contract Rich
Environment



Acquisition Governance Board

- Operational + Strategic
- Requirements Consolidation
 - Flexibility
- Responsive to Depot needs
 - Immature supply chains
 - Reduce cost



BUILDING THE FUTURE

Reduced overhead expense for all customers

Technology insertion

Reduced learning curve

Maintains core capability

Maximizes facility utilization

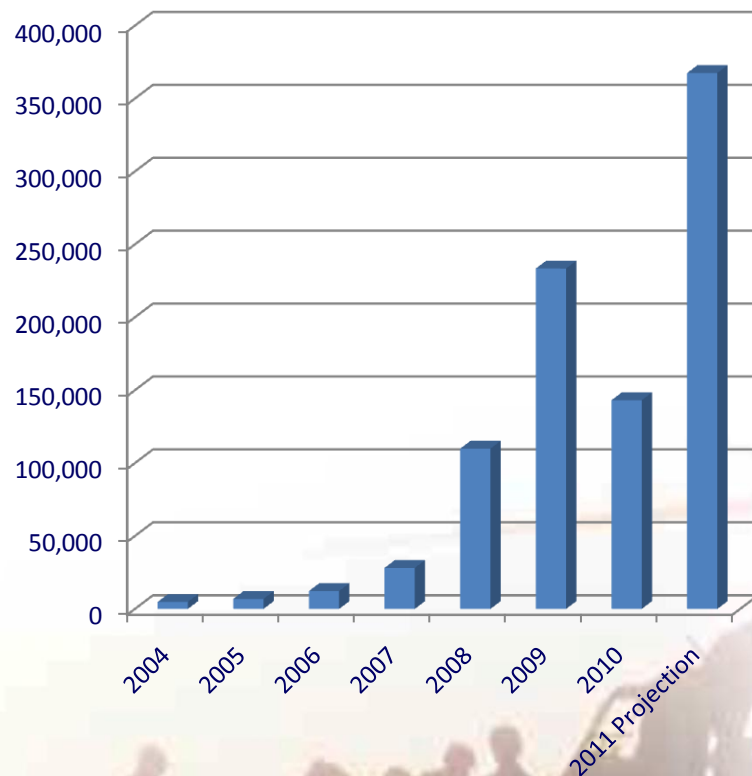
Provides industry with flexibility and options

Leverages the strength of industry partners

Opens the door for more business to industry

FY 11 Projections = 11.6% in Partnerships
5 year Goal = 20%

M/Hrs



Partnering for Success

BUILDING THE FUTURE

Developing Human Capital will be a primary focus

Associate degree
for all supervisors

APICS Training for
LMP

Technical Training as
technology change

LEAD CPAC has contacts/agreements with:

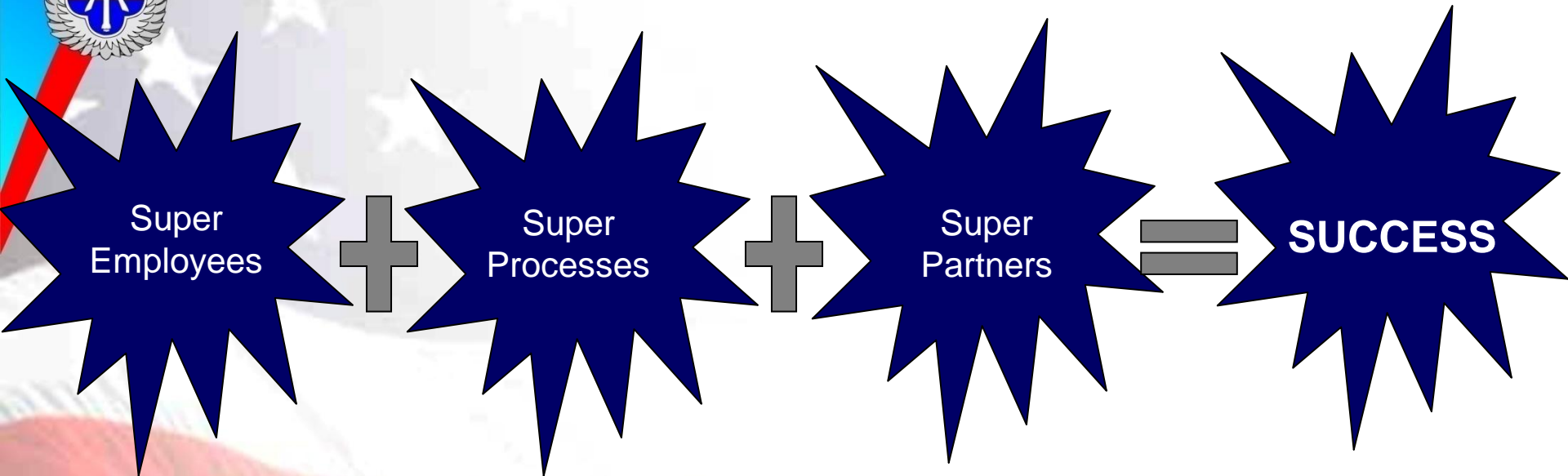
- Hagerstown Community College
- Harrisburg Area Community College
- ITT
- York Technical Institute
- Pennsylvania College of Theology
- Shippensburg University
- Wilson College
- Widener University
- Pittsburgh Technical Institute
- Franklin County Career Technology Center
- Williams Free School of Mechanical Trade
- Thaddeus Stevens College of Technology

FUTURE FOCUS



- Reduced budget provides unknowns for FY14 and beyond
- MEADs decision opens door for Patriot
- RCV moves from Pilot to Production
- Recompleted Labor Contracts
- Draw down and retrograde will provide new opportunities for both the organic and industrial base

CLOSING

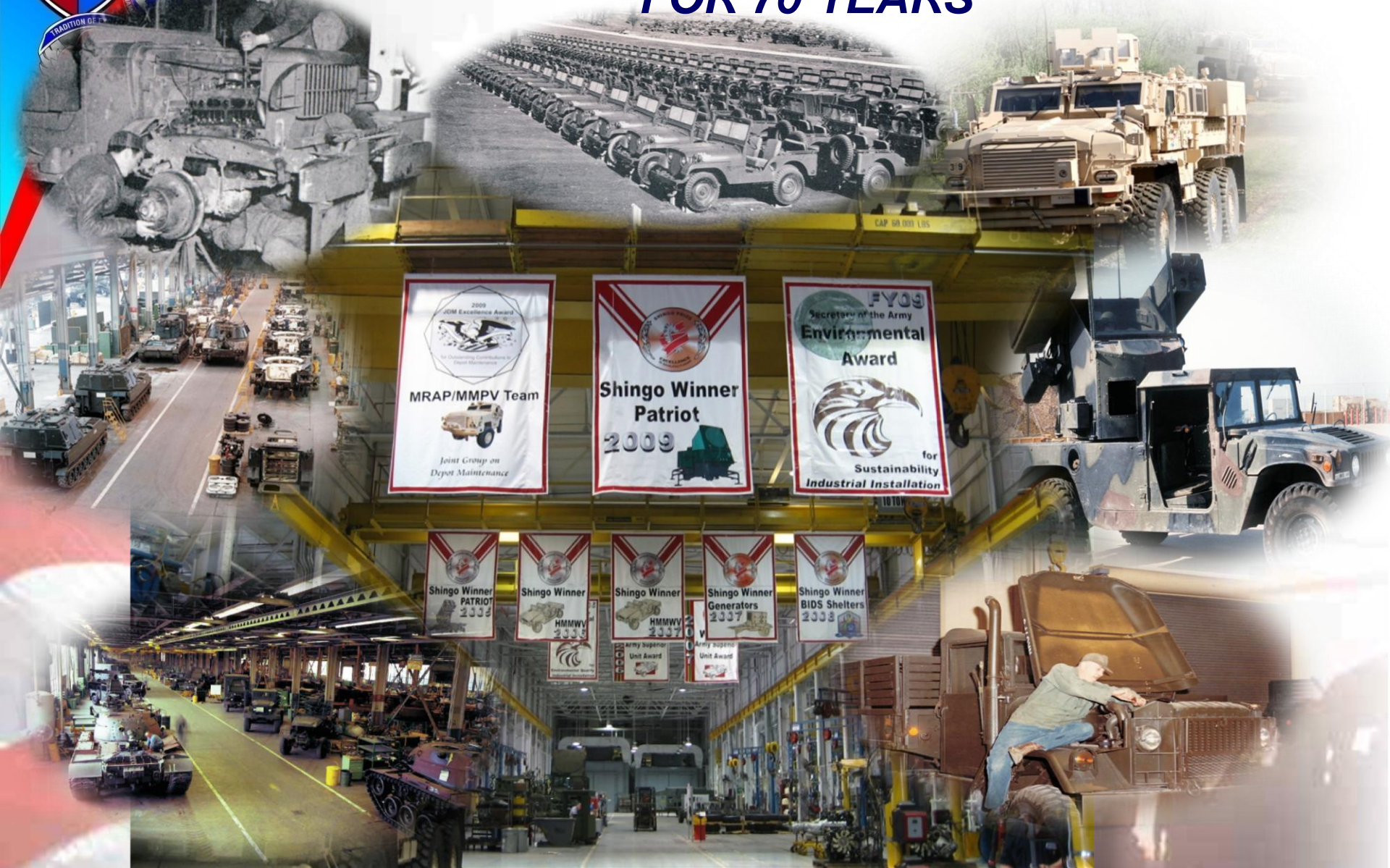


OPEN YOUR IMAGINATION

Ready – Relevant - Flexible



LETTERKENNY ARMY DEPOT: A VEHICLE OF SUPPORT AND CAPABILITY FOR 70 YEARS





QUESTIONS

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